

December 14, 2001

## NEW MEANS TEST THRESHOLDS – CALENDAR YEAR 2002

**1. PURPOSE:** This Veterans Health Administration (VHA) Directive revises the Means Test Thresholds, Medicare Deductible Rate, and Child Income Exclusions for calendar year 2002.

**NOTE:** *This VHA Directive rescinds VHA Directive 2001-075.*

### 2. BACKGROUND

a. Title 38 United States Code (U.S.C.) Section 1722(c) requires that on January 1 of each year, the Secretary of Veterans Affairs increase the Means Test Threshold amounts by the same percentage the maximum rates of pension benefits were increased under Section 5312(a) during the preceding calendar year. Under the provisions of 38 U.S.C. Section 5312 and Section 306 of Public Law 95-588, the Department of Veterans Affairs (VA) is required to increase the benefit rates and income limitations in the pension and parents' Dependency and Indemnity Compensation (DIC) Program by the same percentage, and effective the same date, as increases in the benefit amounts payable under Title II of the Social Security Act.

b. On October 25, 2001, for the period beginning December 1, 2001, the Social Security Administration announced in Volume 66, Number 207, of the Federal Register, a 2.6 percent cost-of-living increase in Social Security Benefits under Title II of the Social Security Act. The Veteran Benefits Administration (VBA) has indicated its intent to increase pension benefits by the same percentage effective December 1, 2001.

#### c. Definitions

(1) **Below the Means Test Threshold.** Below the Means Test Threshold is defined as those veterans whose attributable income and net worth is such that they are unable to defray the expenses of care and therefore are not subject to copayment charges for hospital and outpatient medical services.

(2) **Above the Means Test Threshold.** Above the Means Test Threshold is defined as those veterans whose attributable income and net worth is such that they are able to defray the expenses of care and must agree to pay a copayment for hospital care and outpatient medical services.

**3. POLICY:** It is VHA policy that all VA health care facilities install patch DG\*5.3\*429 before January 1, 2002. Patch IVMB\*2\*631 will be installed at the Health Eligibility Center before January 1, 2002. The new means test and net worth threshold rates are effective January 1, 2002.

### 4. ACTION

a. The following new Means Test Thresholds are effective January 1, 2002, through December 31, 2002:

**THIS VHA DIRECTIVE EXPIRES DECEMBER 31, 2002**

**VHA DIRECTIVE 2001-078**  
**December 14, 2001**

**(1) Veterans with no dependents:**

- (a) Below Means Test Threshold: \$24,304.
- (b) Above Means Test Threshold: \$24,305.

**(2) Veterans with one dependent:**

- (a) Below Means Test Threshold: \$29,168.
- (b) Above Means Test Threshold: \$29,169.

**(3) Veterans with two dependents:**

- (a) Below Means Test Threshold: \$30,798.
- (b) Above Means Test Threshold: \$30,799.

**(4) Veterans with three dependents:**

- (a) Below Means Test Threshold: \$32,428.
- (b) Above Means Test Threshold: \$32,429.

**(5) Veterans with four dependents:**

- (a) Below Means Test Threshold: \$34,058.
- (b) Above Means Test Threshold: \$34,059.

**(6) Veterans with five dependents:**

- (a) Below Means Test Threshold: \$35,688.
- (b) Above Means Test Threshold: \$35,689.

b. The following information is to be used to enter the data listed in subparagraph 4a into the Veterans Information Systems and Technology Architecture (VistA):

- (1) Select Means Test Data: 2002.
- (2) Means Test Data: 2002.
- (3) Veteran with no dependents: \$24,304.

**NOTE:** *The difference between a veteran with no dependents and a veteran with one dependent is \$4,864.*

(4) Amount the threshold is increased beginning with the second dependent: \$1,630. **NOTE:** *This amount is also added for each additional dependent after the fifth dependent.*

(5) Threshold property: \$80,000.

(6) Child Income Exclusion: \$7,450.

c. The Medicare deductible: \$812.

d. The income and/or asset threshold for net worth development: \$80,000.

e. Maximum annual Rate of Pension: Base rate:

(1) The base rate is \$9,556.

(2) The base rate with one dependent is \$12,516.

(3) Add \$1,630 for each additional dependent.

**5. REFERENCES:** None.

**6. FOLLOW-UP RESPONSIBILITY:** The Director, Health Administration Service (1OC3), is responsible for the contents of this Directive.

**7. RESCISSIONS:** VHA Directive 2001-075 is rescinded. This VHA Directive expires December 31, 2002.

S/ Thomas L. Garthwaite, M.D.  
Under Secretary for Health

**DISTRIBUTION** CO: E-mailed 12/14/01  
FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 12/14/01